

Message Text

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PAGE 01 MANILA 06402 01 OF 02 280543Z

ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

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R 280505Z APR 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 9054

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE SECTION 1 OF 2 MANILA 6402

E. O. 11652: NA

TAGS: ELAB, RP

SUBJECT: PRESIDENT MARCOS ANNOUNCES PRE-MAY DAY WAGE INCREASES

1. SUMMARY: PRIVATE SECTOR AND GOVERNMENT WORKERS ARE BEING GRANTED COST OF LIVING ALLOWANCE (COLA) AND WAGE INCREASES RESPECTIVELY AS OF MAY 1. ANNOUNCEMENT MADE IN ADVANCE OF MAY DAY BECAUSE A BUDGET COMMISSION STAFFER LET THE CAT OUT OF THE BAG PREMATURELY. THE TUCP WANTS THE COLA BASE BROADENED TO COVER WORKERS EARNING 1000 PERSOS PER MONTH OR LESS SO THAT 90 0/0 OF THE WORKERS WILL SHARE IN THE NEW COLA. GOVERNMENT EMPLOYEES WILL GET 10 0/0 ACROSS THE BOARD WAGE INCREASE AND FULL COMPARABILITY WITH THE PRIVATE SECTOR. ELEMENTARY SCHOOL TEACHERS WILL RECEIVE AT LEAST 15 0/0 ADDITIONAL INCREASES BASE ON PERFORMANCE AND LEVEL OF DEGREE ATTAINMENT. UNION OFFICIALS AND RANK AND FILE SHARE THE VIEW THAT THOUGH THE INCREASES ARE WELCOME THEY ARE INADEQUATE AT BEST AS A MEANS OF RECOUPING THE DETERIORATING STANDARD OF LIVING OF THE FILIPINO WORKER. END SUMMARY.

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PAGE 02 MANILA 06402 01 OF 02 280543Z

2. ON APRIL22 PRESIDENT MARCOS DECREED (PD 1123) A 10 0/0 ACROSS THE BOARD WAGE INCREASE FOR ALL GOVERNMENT WORKERS, AND A 2 PERSO PER DAY ACROSS THE BOARD INCREASE IN THE COST OF LIVING ALLOWANCE (COLA) FOR ALL PRIVATE INDUSTRY WORKERS TO TAKE EFFECTIVE MAY 1, 1977. IN ADDITION, THE SALARIES OF GOVERNMENT TECHNICAL AND EXECUTIVE CAREER SERVICE EMPLOYEES WILL BE MADE FULLY

COMPARABLE TO RELATED PRIVATE SECTOR SALARIES STARTING JULY 1, 1977.

ORIGINALLY THESE ANNOUNCEMENT WERE TO BE HELD UP UNTIL MAY 1 (LABOR DAY) SO PRESIDENT MARCOS WOULD HAVE SOMETHING TO GIVE THE WORKERS DURING THE ANNUAL CEREMONY. HOWEVER, ACCORDING TO LABOR UNDERSECRETARY INCIONG, A BUDGET COMMISSION STAFFER JUMPED THE GUN AND RELEASED THE NEWS ABOUT GOVERNMENT WORKERS INCREASES THUS FORCING MARCOS TO REVEAL ALL. INCIONG CLAIMS THAT THE PLANNERS RAN THROUGH THREE OPTIONS AS TO HOW TO COPE WITH THE INCREASED CONSUMER PRICES THAT WOULD RESULT FROM THE RECENTLY ANNOUNCED 25 0/0 INCREASE IN BUS AND JEEPNEY FARES DUE TO THE INCREASE IN THE PRICE OF OIL. THEY SETTLED ON AN INCREASE IN THE COLA AS BEING THE LEAST COSTLY AND MOST DIRECT WAY TO HELP THE MOST WORKERS.

ON APRIL 26, JUAN L. MANUEL, SECRETARY OF EDUCATION AND CULTURE TOLD 400 SCHOOL SUPERINTENDENTS ATTENDING AN ANNUAL CONVENTION IN BAGUIO THAT PUBLIC ELEMENTARY SCHOOL TEACHERS WILL RECEIVE SALARY INCREASES OF AT LEAST 15 0/0 THIS YEAR. THESE INCREASES WILL BE IN ADDITION TO THE INCREASES PREVIOUSLY ANNOUNCED BY PRESIDENT MARCOS. THE 15 0/0 INCREASE WILL NOT BE ACROSS THE BOARD. IT WILL BE ON A SELECTIVE BASIS WITH PERFORMANCE AND HIGHER EDUCATION DEGREES BEING THE CRITERIA.

3. GOVERNMENT TECHNICAL AND EXECUTIVE CAREER SERVICE EMPLOYEES WERE PROMISED BY PRESIDENT MARCOS TWO YEARS AGO THAT THEIR SALARIES WOULD BE MADE COMPARABLE TO THE PRIVATE SECTOR SALARIES FOR THE SAME OCCUPATIONS. IN SEPTEMBER 1976 LIMITED OFFICIAL USE

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PAGE 03 MANILA 06402 01 OF 02 280543Z

THE BUDGET COMMISSION COMPLETED ITS MOST RECENT SALARY AND WAGE SURVEY WHICH REVEALED THAT GOVERNMENT WORKERS WERE RECEIVING 1/3 OF WHAT SHOULD BE THEIR FULL SALARIES. PRESIDENT MARCOS INSTRUCTED BUDGET COMMISSIONER JAIME C. LAYA IN P.D. 847 TO MAKE AVAILABLE 300 MILLION PESOS OR WHATEVER IT TAKES TO MAKE THE ADJUSTMENT TO FULL SALARY. THESE GOVERNMENT SALARY INCREASES WERE TO BE IN ADDITION TO THE 5 0/0 INCREASES GRANTED TO TEACHERS ON JANUARY 1, 1977.

4. P.D. 1123 DECREES THAT ALL PRIVATE SECTOR WORKERS EARNING 600 PESOS PER MONTH OR LESS WILL GET 2 PESOS PER DAY OR 60 PESOS PER MONTH INCREASE IN THEIR COLA. THERE ARE THREE COLA LEVELS OF PAYMENT THAT RELATE TO THE CAPITALIZATION OF THE EMPLOYER AS ESTABLISHED BY PREVIOUS PRESIDENTIAL DECREES. ACCORDINGLY THE NEW RATES WILL

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PAGE 01 MANILA 06402 02 OF 02 280550Z

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LIMITED OFFICIAL USE SECTION 2 OF 2 MANILA 6402

RAISE ALL THOSE PRESENTLY GETTING 50 PESOS PER MONTH TO 110, THOSE GETTING 30 PESOS PER MONTH TO 90, AND THOSE GETTING 15 PESOS PER MONTH TO 75.

5. BERT OCA, PRESIDENT OF THE TRADE UNION CONGRESS OF THE PHILIPPINES (TUCP) PUBLICLY EXPRESSED THANKS TO THE PRESIDENT FOR THE COLA INCREASES BUT CALLED UPON HIM TO RAISE THE SALARY CEILING FOR THOSE ELIGIBLE FOR THE NEW RATES FROM THE PRESENT 600 PESOS PER MONTH TO 1000 PESOS PER MONTH. OCA CONTENDS THE 600 PESO CEILING PROVIDES FOR ONLY 60 PERCENT OF THE WORKERS IN PRIVATE INDUSTRY AND THAT RAISING THE CEILING TO 1000 PESOS PER MONTH WOULD PROVIDE FOR 90 PERCENT OF THE WORKFORCE. OCA IS STILL PRESSING THE GOVERNMENT TO BROADEN THE BASE. THE TUCP IS ALSO ASKING MARCOS TO INSTRUCT THE LAND BANK TO GIVE THE TUCP LAND ON WHICH IT CAN BUILD A NEW HEAD-QUARTERS BUILDING. THE TUCP HAS ASKED PRESIDENT MARCOS TO APPOINT TUCP LABOR REPRESENTATIVES ON THE BOARD OF INVESTMENT, THE NATIONAL MANPOWER AND YOUTH COUNCIL, AND THE OVERSEAS EMPLOYMENT DEVELOPMENT BOARD. DECISIONS ON

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PAGE 02 MANILA 06402 02 OF 02 280550Z

THESE REQUESTS ARE EXPECTED TO BE ANNOUNCED AT THE MAY DAY CELEBRATION BY PRESIDENT MARCOS.

6. COMMENT: THE COLA INCREASE IS INADEQUATE AT BEST TO RECOUP THE DETERIORATING STANDARD OF LIVING OF THE FILIPINO WORKER. WHAT IS HAPPENING IS A REPEAT OF LAST YEAR'S MAY DAY 2 PESO INCREASE IN THE MINIMUM WAGE WHICH WAS FOLLOWED IN ABOUT 10 DAYS WITH AN INCREASE IN TRANSPORTATION FARES AND THE PRICE OF RICE. THE DEPARTMENT OF LABOR BLS SURVEY OF ESTABLISHMENTS FOR MANILA AND SUBURBS REVEALS THAT MONEY WAGES HAVE BEEN STEADILY GOING UP SINCE 1951 BUT REAL WAGES, WHICH DISCOUNTS WAGES ACCORDING TO INFLATION RATES, HAS BEEN STEADILY GOING DOWN. FOR EXAMPLE, THE COMMON LABORER IN 1975 ON THE AVERAGE RECEIVED 12.51 PESOS A DAY IN MONEY WHICH WAS ONLY WORTH 7.60 PER DAY IN PURCHASING POWER. (BASED YEAR CPI 1972 EQUAL 100). IN 1976, THE LABORER RECEIVED ON THE AVERAGE 13.16 PESOS PER DAY WHICH WAS WORTH ONLY 7.53 PESOS. TRADE UNION LEADERS HAVE TOLD LABATT THAT BECAUSE COMPANIES CAN PLEAD HARDSHIP AND WIN EXEMPTION FROM THE COLA INCREASES, THEY ARE CERTAIN THA THERE WILL BE PRESSURE FROM WORKERS ON THE LOW END OF THE WAGE SCALE FOR AN INCREASE IN THE MINIMUM WAGE.

WITH THE NEW ACROSS THE BOARD WAGE INCREASE FOR TEACHERS, BUT NOT COUNTING THE SELECTIVE 15 0/0, ORDINARY TEACHERS WILL RECEIVE AT LEAST 520 PESOS PER MONTH, OR THE EQUIVALENT OF \$70.89 AT THE CURRENT EXCHANGE RATE. THE PRIVATE ELEMENTARY SCHOOL TEACHERS, WHO MAKE UP 25 0/0 OF THE ELEMENTARY SCHOOL TEACHERS IN THE RP ARE NOT INCLUDED. THEIR UNION OFFICIALS FEAR THAT DESPITE THEIR PLEAS THERE JUST ISN'T ENOUGH MONEY IN THE PRIVATE SCHOOL SYSTEM TO MATCH THE GOVERNMENT INCREASES. GOVERNMENT TEACHERS ARE NOT PERMITTED TO HAVE A UNION.

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Message Attributes

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